

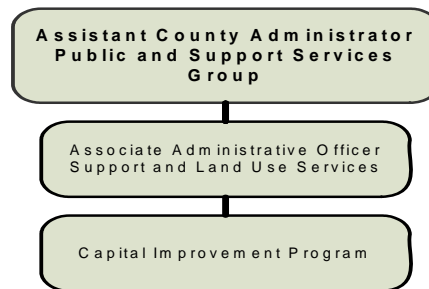
CAPITAL IMPROVEMENT PROGRAM

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MISSION STATEMENT

The Capital Improvement Program (CIP) receives and evaluates capital expenditure requests, recommends priorities for the acquisition or improvement of land, facilities and infrastructure, oversees and monitors major capital projects, and guides growth and change of County facilities and infrastructure by anticipating future needs.

ORGANIZATIONAL CHART



STRATEGIC GOALS

1. Update building condition information for all county facilities.

SUMMARY OF BUDGET UNITS

Funding for capital projects is included in the Architecture and Engineering CIP funds, and specific Airports, Regional Parks, Transportation and Solid Waste Management CIP funds.

DESCRIPTION OF MAJOR SERVICES

The Capital Improvement Program is an internal planning tool administered by the County Administrative Office (CAO) to provide the Board of Supervisors with information to assist in the decision-making process to allocate limited resources for capital projects. The CIP provides for the acquisition, construction, reconstruction, initial fixtures and equipment, renovation, rehabilitation or replacement of facilities with life expectancy of at least five years and capital costs in excess of \$5,000. The program:

- Receives and evaluates requests to lease or expand leased space or to vacate, occupy, alter, remodel or construct county-owned space, land, or facilities.
- Recommends priorities for capital projects based on criteria in the Capital Budget Policy for government facilities, regional parks, airports, transportation, and solid waste facilities.
- Prepares the annual CIP budget, monitors and directs implementation of approved projects through the Architecture and Engineering, Facilities Management, Real Estate Services, Airports, Regional Parks and Public Works departments, and provides direct oversight for major capital projects.
- Develops and implements facility standards and maintains land and building inventories.
- Performs long-range planning to:
 - Link department capital and operational budget plans to countywide strategic plans
 - Conduct physical condition assessments through periodic surveys of facilities to identify major, large-scale projects to repair and rehabilitate county assets
 - Identify opportunities for energy efficiencies, life-cycle increases, and maintenance operating cost reductions
 - Identify future space and infrastructure needs of the county
 - Develop formal estimates of costs, seek adequate project funding, and identify opportunities for public-private partnerships for the development of county facilities.



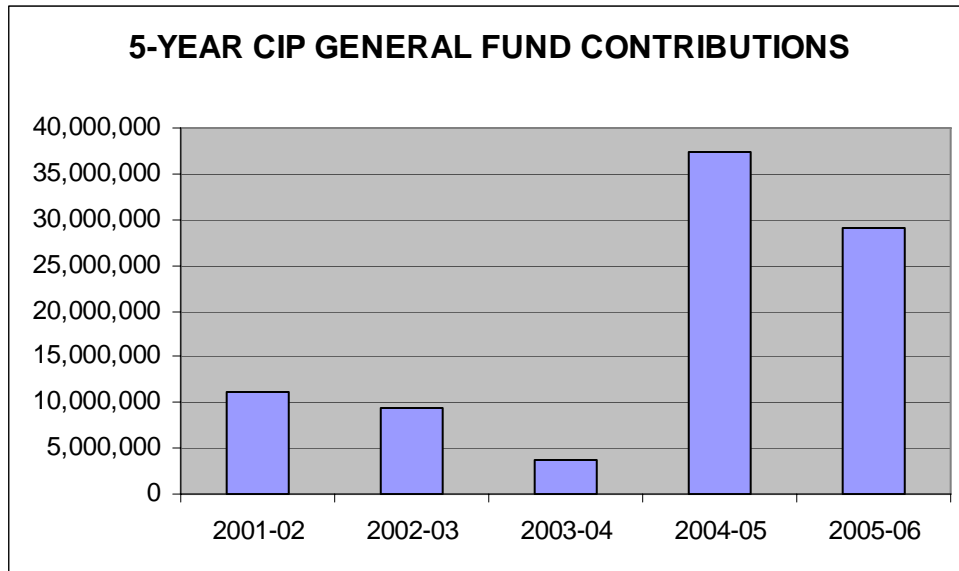
BUDGET HISTORY

The Capital Improvement Program (CIP) is funded by a number a sources, including the county general fund and various discretionary and restricted funding sources:

- **General Fund – Local Cost:** Funded from local dollars provided to CIP for general fund projects.
- **Other Discretionary Funding:** The underlying funding source is from a general fund department or the Board has discretion over the funding source. Costs are reimbursed to the CIP by the department. This category includes realignment, Justice Facility Reserve, Fines and Forfeitures, special revenue, or internal service funds (such as Risk Management and Fleet Management).
- **Restricted Funding:** Any funding source other than the general fund, special revenue, or internal service funds, and the funding is from a dedicated source for a dedicated purpose. Examples are grants, Inmate Welfare Fund, enterprise funds, Courts, Library, fees, dedicated gas and sales tax, and state and federal aid.

The county's Capital Improvement Program includes construction, rehabilitation, and repair projects for numerous facilities and structures. Solid Waste Management and Transportation Division (road) projects are administered by the Department of Public Works (DPW). Architecture and Engineering Department (A&E) administers projects for all others, including Airports, Regional Parks, general fund departments, and Community Development and Housing (CDH).

The amount of general fund local cost funding for CIP varies annually based on available one-time funding. The following chart demonstrates the Board's commitment in recent years to address the backlog of deferred maintenance projects for county buildings and infrastructure. General fund contributions to CIP over the past five years have averaged approximately \$18 million per year. In addition, in the past two years, the Board has allocated approximately \$10.4 million for various city or community sponsored deferred maintenance/infrastructure capital projects that provide benefits to County residents. These contributions are also reflected in the CIP budget.



ANALYSIS OF PROPOSED BUDGET

On October 28, 2005, county departments were requested to submit CIP requests for 2006-07. The County Administrative Office received 285 requests from 26 departments with an estimated total project cost of \$507.4 million. Departments submitting more than one CIP request prioritized their requests. CIP requests were also submitted by Architecture and Engineering Department (A&E) and Facilities Management Department (FM) for general projects.

The base budget allocation for CIP has been \$3.5 million annually. For 2006-07, the CAO recommended in its financing plan that the base budget allocation be increased to \$6.0 million annually. In addition, the CAO recommended an additional \$17 million be set aside from one-time county contingencies for a total of \$23 million to finance required general funded maintenance and repair projects. Projects proposed for funding include:

- **Modernization/Remodels/Expansions** – Five new construction projects are proposed: **\$6.6 million**
 - Fontana Courthouse Expansion and Remodel – This project will add two additional courtrooms and expansion space for the District Attorney and Public Defender's Office. The total project cost is \$6 million and will be funded from a combination of \$4 million from the county general fund and \$2 million from the Superior Court.
 - Calico Ghost Town campground restroom replacement - \$1.7 million
 - Mojave Narrows Regional Park – Restroom and shelter replacement - \$.5 million
 - San Bernardino – Human Resources Restroom remodel - \$.2 million
 - San Bernardino – Registrar of Voters remodel - \$.2 million
- **Heating, Ventilation and Air Conditioning (HVAC)** **\$5.7 million**
 - Seven new HVAC projects are proposed. HVAC systems will be replaced at the General Services and Public Works buildings in San Bernardino and various other boiler and chiller components will be replaced at the Barstow and Morongo Courthouses, West Valley Detention Center, Redlands Museum, and Rialto Sheriff and County Fire Communications Center.
- **Paving** **\$2.6 million**
 - Twelve parking lot repair/replacement/expansion projects are proposed for various county office buildings, museums and regional parks as part of the CIP pavement management program.
- **Building System Upgrade Projects** **\$2.4 million**
 - Ten projects are proposed that repair/replace or upgrade various building systems such as elevators, fire alarm systems, and electric service upgrades for various county office buildings.
- **Minor Deferred Maintenance Projects** **\$1.9 million**
 - Funding is proposed to address several minor deferred maintenance projects including the addition of \$1.4 million for paint and carpet replacements in county office buildings. The Facilities Management Department will be performing building assessments to identify and prioritize projects for the coming year.
- **Infrastructure Projects** **\$1.9 million**
 - Seven infrastructure projects are proposed that improve water systems, landscaping, hardscape, and recreation facilities including the rehabilitation of the entrance and historically significant areas at the Chino Airport (\$.8 million).
- **Roofing** **\$1.2 million**
 - Eight roofing repair/replacement projects are proposed for various county office buildings as part of the CIP roof management program.
- **General Projects** **\$.8 million**
 - The balance of projects are of varying types such as ADA improvements and security system upgrades.



In addition to the general fund local cost projects above, departments have identified other discretionary funding sources for a number of projects in the amount of **\$5.9 million** and restricted funding sources in the amount of **\$7.4 million** (e.g. Community Development Block Grants, federal aviation grants, etc.). Transportation and Solid Waste Management have also proposed 33 new projects using restricted funding sources with a total budget of **\$37.1 million**.

The following chart demonstrates the proposed allocation of financing sources for CIP for 2006-07:

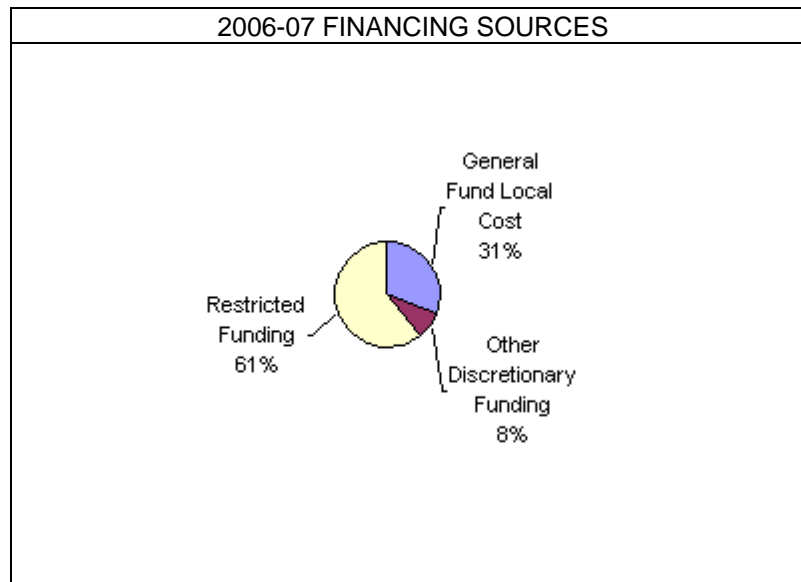


Table 1 provides a summary of all new proposed CIP projects for 2006-07.

Table 1

SUMMARY OF 2006-07 RECOMMENDED NEW CIP PROJECTS					
	# of Projects	General Fund Local Cost	Other Discretionary Funding	Restricted Funding	Total
CAPITAL PROJECT FUNDS:					
Architecture and Engineering (A&E)					
Total New Projects (Fund CJV)	60	23,000,000	5,931,000	2,350,000	31,281,000
ADDITIONAL CAPITAL PROJECTS INCLUDED IN OTHER COUNTY FUNDS:					
Airports New Projects (Various Funds)	8	-	-	3,986,136	3,986,136
Airports New Projects (CSA 60-Apple Valley)	2	-	-	1,050,458	1,050,458
Total New Projects - A&E	70	23,000,000	5,931,000	7,386,594	36,317,594
Dept. of Public Works (DPW)					
Transportation (Various Funds)	8	-	-	2,111,094	2,111,094
Solid Waste Management (Various Funds)	25	-	-	34,939,000	34,939,000
Total New Projects - DPW	33	-	-	37,050,094	37,050,094
TOTAL RECOMMENDED NEW CIP PROJECTS	103	23,000,000	5,931,000	44,436,688	73,367,688



Details of all recommended new A&E CIP projects are included in Exhibit A – 2006-07 Recommended Capital Improvement Program New Projects Administered by Architecture and Engineering – By Funding Source, and Exhibit B – 2006-07 Recommended Capital Improvement Program New Projects Administered by Architecture and Engineering – By Location. Details of all recommended new Department of Public Works projects is included in Exhibit C - 2006-07 Recommended Capital Improvement Program New Projects Administered by Department of Public Works – Transportation, and Exhibit D – 2006-07 Recommended Capital Improvement Program New Projects Administered by Department of Public Works – Solid Waste Management.

REVIEW OF CARRYOVER PROJECTS

Large capital projects often span more than one fiscal year and project balances are carried over annually until project completion.

There are currently 158 active projects in the A&E CIP budget with project budgets totaling \$173.4 million, including two large construction projects. Following is a status of the large projects:

	<u>Total Project Budget</u>	<u>Estimated Carryover Balance</u>
<ul style="list-style-type: none"> 303 Building The 303 Building located at 303 W. 3rd Street in San Bernardino is being rehabilitated for occupancy. Tenant improvements are under construction with an estimated completion date of mid-February 2007. Upon completion, the 104,000 square foot building will be occupied by the Superior Court, District Attorney, and Public Defender's Office. 	\$23.7 million	\$8.3 million
<ul style="list-style-type: none"> Central Courthouse Seismic Retrofit and Remodel Design is nearly complete for the seismic retrofit and remodel of the Central Courthouse and T-Wing. Some remodel work will begin in the near future, such as the addition of an elevator in the T-Wing and remodel of T-Wing restrooms to be ADA compliant, however, the majority of work will not occur until a portion of the Superior Court functions are relocated to the 303 Building in February 2007. The entire seismic retrofit and remodel project will be completed in several phases and is expected to take approximately 36 months to complete. 	\$40.8 million	\$35.8 million

The A&E CIP carryover project list also includes 21 projects in which the Board has made contributions to other agencies for deferred maintenance/infrastructure capital projects that benefit county residents. While most of the agreements for these contributions have been completed, the actual payments are generally tied to some event, such as the award of a construction contract, and payments may occur over time. These projects will continue to be carried over in CIP until the required milestone has been achieved and the funds paid.

A summary of the status of previously approved A&E CIP projects still in progress is attached as Exhibit E – 2006-07 Carryover Projects Administered by Architecture and Engineering (Funds CJV and CJS).

Airports, Regional Parks, Transportation, and Solid Waste Management also have carryover capital project funds. Details are provided in Exhibit F – 2006-07 Airports Carryover Projects (Various Funds), Exhibit G – 2006-07 Regional Parks Carryover Projects (Various Funds), Exhibit H – 2006-07 Transportation Carryover Projects (Various Funds), and Exhibit I – 2006-07 Solid Waste Management Carryover Projects (Various Funds).



Table 2 below provides a summary of all Carryover Projects.

Table 2

SUMMARY OF 2006-07 CARRYOVER BALANCES					
CAPITAL PROJECT FUNDS:	# of	General Fund	Other	Restricted	
Architecture and Engineering (A&E)	Projects	Local Cost	Discretionary	Funding	Total
Structures & Improvements to Structures (Fund CJV)	158	42,660,335	15,181,420	35,714,537	93,556,292
Contributions to Other Agencies (Fund CJV)	21	9,522,500	-	-	9,522,500
High Desert Juvenile Detention Center (Fund CJS)	1	87,939	-	-	87,939
Total Carryover Projects (Fund CJV & CJS)	180	52,270,774	15,181,420	35,714,537	103,166,731
ADDITIONAL CAPITAL PROJECTS INCLUDED IN OTHER COUNTY FUNDS:					
Airports Carryover Projects (Various Funds)	35	-	-	31,906,979	31,906,979
Airports Carryover Projects (CSA 60-Apple Valley)	10	-	-	2,754,876	2,754,876
Regional Parks Carryover Projects (Various Funds)	9	-	-	9,279,322	9,279,322
Total Carryover Projects - A&E	234	52,270,774	15,181,420	79,655,714	147,107,908
Dept. of Public Works (DPW)					
Transportation Carryover Projects (Various Funds)	65	-	9,815,000	44,664,775	54,479,775
Solid Waste Mgmt Carryover Projects (Various Funds)	6	-	-	9,785,618	9,785,618
Total Carryover Projects - DPW	71	-	9,815,000	54,450,393	64,265,393
TOTAL CARRYOVER PROJECTS	305	52,270,774	24,996,420	134,106,107	211,373,301

A&E also anticipates the completion of 47 projects in 2005-06 with a total project budget of \$10.3 million. Savings from the completion of general fund projects is estimated to be \$258,918. This balance will remain in the CIP budget and be available to address cost overruns in other projects, should any occur. Details are provided in Exhibit J – 2005-06 Completed Projects Administered by Architecture and Engineering (Fund CJV).

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM PROJECT LIST

In 2003, as part of the County Administrative Office's goal to improve long-range capital planning, county departments were requested to submit five-year projections for space needs and capital improvement projects.

For the 2006-07 annual CIP process, departments were requested to update their Five-Year Capital Improvement Program plan. Details of all requests in the five-year plan are provided in Exhibit K – Five-Year Capital Improvement Program. Year 1 submittals represent all of the CIP requests received from departments for 2006-07. Projects that have been funded or are proposed for funding in 2006-07 are highlighted.

While the Board of Supervisors has approved additional one-time funding over the past several years to address deferred maintenance in county facilities, the number of projects submitted and the total dollar volume continues to be reflective of years of limited funding for capital improvements. In addition, the submittals reflect a growing need for space countywide. Jail overcrowding, hospital expansion requirements, and office space needs are clearly the theme of many department submittals. The CAO plans to bring to the Board for consideration in the coming months long-range plans to address these needs as requirements and alternatives are fully identified.

POLICY ITEM REQUEST

In addition to the recommended new CIP projects for 2006-07 in the amount of \$23 million included in the financing plan, the County Administrative Office is requesting the Board consider funding an additional \$13.3 million for other deferred maintenance projects. Details are provided in Exhibit L – 2006-07 Capital Improvement Program Policy Item Request.

